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*A History of the Latin Monetary Union.* A study of international monetary action. By HENRY PARKER WILLIS. Chicago, The University of Chicago Press, 1901. — 332 pp.

Now that the bimetallic question has ceased to belong to partisan politics and the fury of the controversy has subsided, it is to be hoped, and indeed it is to be expected, that the whole field will be carefully resurveyed in a more judicial spirit. The theoretic aspects of the subject have already found unprejudiced and catholic treatment at the hands of several writers, notably Major Darwin, and what is most needed in this connection is a scholarly and unbiased interpretation of monetary history. The history of the coinage in England and in European countries, and even in the United States, must be reëxamined and reëxplained by those who have no theory to exemplify and no position to defend. No part of this history has stood in greater need of such liberal treatment than that of France and the Latin Union, and the appearance at this time of a considerable work devoted to the monetary history of these countries, especially from the hand of a university professor, is therefore calculated to arouse an unusual measure of expectancy among those interested in such questions.

It is a distinct disappointment to find that the present work, like most of its predecessors in the same field, falls seriously short in the important matter of impartiality. Professor Willis announces that "he has not sought to pass any criticism upon the policy pursued by the states of the Latin Union" and that his object "has been merely that of placing in a colorless historical light the action taken" by them (p. 253). Above all, he denies any intention "to enter into the merits of the monetary question as such" (p. viii) or "to correlate the silver question, as it exists in France and the allied countries, with the more general aspects of the monetary problem" (p. 253). In the face of all prefixed and appended disclaimers, however, it must be said that Professor Willis expresses his opinions very freely, not only by innuendo but by direct statement as well. One finds him speaking about "the farce of a double standard" (p. 47), or alluding to "scientific monetary principles as embodied in the program of the gold party" (p. 161), or characterizing the bimetallic members of the commission of 1867 as without "any economic competency" (p. 76), or implying that the government, after the issue of the bimetallic report of that year, needed "an opportunity to retrieve itself in a dignified way" (p. 77). In fact, there is scarcely a page that is not colored with the author's opinions.

Even in the selection of data the influence of his preconceptions can be felt. Take, for example, his treatment of the French law of 1803. He tells us that in its early history it "had never been regarded as a bimetallic law" (p. 7, note), that "the standard intended to be established was manifestly silver," the gold coins "being regarded merely as stamped ingots" (p. 8), that "in all the debates upon the monetary question from 1789 to 1803 the sole desire had been to set up a single invariable silver standard" (p. 95), and that there is "conclusive evidence" of this, in confirmation of which he quotes from Gaudin, the finance minister whose reports led to the passage of the act (p. 95, note). There is much, however, to be said upon the other side. The primary aim of Gaudin's report of 1803 was to emphasize the need of making the gold coins an integral part of the currency system. Gaudin explicitly opposed the plan of leaving them to circulate as merchandise, without any definite rating in terms of silver — the plan which had been advocated by Mirabeau and Berenger; and he insisted upon the necessity of establishing a fixed and determinate ratio between the coins of the two metals, recommending the continuance of the ratio of 1785. This was essentially a bimetallic proposal, but of these facts Professor Willis makes no mention. Moreover, the actual law of 1803 provided for the free and unlimited coinage of both metals; and, although the ratio between them was not literally mentioned, the mere fact that the gold and silver coins were given the same name, franc, by the act which determined their weight practically established such a ratio. A bimetallic standard was indisputably the implicit result of these provisions; for they involved the free coinage of both metals at a fixed ratio and their legal equivalence as means of payment. Thereafter a debt calling for payment in francs could be paid indifferently in coins of either metal. To these facts likewise, however, Professor Willis fails to call attention.

The same one-sidedness which characterizes his treatment of the act of 1803 also marks his discussions of the treaty of the Latin Union. "The treaty of 1865 did not adopt bimetalism," he tells us. "It continued the fundamental principle of the law of 1803" (p. 217). "It was not a bimetallic agreement any more than the law of 1803 was a bimetallic agreement" (p. 46). "From whatever point of view we regard it, it is abundantly clear that the treaty was in no sense intended as a bimetallic agreement" (p. 45). Yet the treaty had provided for the coinage of both gold and silver at a fixed ratio, without restriction as to amount, and had made the coins of both

metals receivable in the public treasuries at this ratio. Professor Willis himself finds it impossible always to be consistent with his theory; for somewhat later even he speaks about "the principle of the double standard as provided for in the treaty of 1865" (p. 73).

Not only are the conclusions at which he arrives frequently unwarranted by the facts which he presents, but they are sometimes even contradicted by these facts. We are told that "the law of 1803 did not secure a concurrent circulation of gold and silver" (p. 6), that "a concurrent circulation of gold and silver had *never* been seen in France" (p. 8), that down to 1847 there was "an *exclusively* silver circulation" (p. 15; the italics are added). Yet the figures which Professor Willis quotes in evidence show only an insignificant loss of gold to the country during the entire period—a net export of about 300,000 francs per year, on the average; and, on the other hand, they show that there was never a year when gold was not coined, the average during the years from 1803 to 1848 amounting to about 23,000,000 francs. Even the testimony of contemporaries, which our author cites to prove the absence of gold from the circulation, practically all implies its presence to some extent. Thus, from the *Enquête* of 1858 is drawn the assertion that gold "became quite rare [*sic*] in the circulation," and the commission of 1868–69 is quoted as stating that "in 1848 almost [*sic*] all of this gold had disappeared" (p. 4, note), which are evidently quite different matters from saying that the circulation was "exclusively" of silver.

Professor Willis argues in this connection that, "inasmuch as gold was more valuable in the market than at the French mint, relatively to silver, it was impossible that gold should circulate in France" (p. 2). Every careful student of monetary theory, however, knows that the market ratio can vary from the mint ratio within a considerable range without driving the undervalued metal from circulation. It was quite possible that gold should circulate in France, even though the market ratio between the metals did rise somewhat above  $15\frac{1}{2}$  to 1; for the seigniorage charged on the coinage of gold raised the gold coins above their metallic value and made it unprofitable to melt them down or send them abroad, unless the premium on bullion rose above the seigniorage on the coins. The market ratio in London or New York might rise still higher above the Paris mint ratio without draining the French currency of its gold, because the profit on the exportation of the metal would be absorbed by the cost of its transportation and insurance and the loss of intercalary interest.

The substitution of gold for silver in the circulation in the early fifties was, according to Professor Willis, a source of unmitigated benefit and of unalloyed gratification to France. Even the reduction in the rate of London exchange is attributed to it.

Exchange had, between 1819 and 1852, frequently risen as high as 25 francs 90 centimes per pound sterling payable at London, while since 1852 exchange had not exceeded 25 francs 30 centimes, although during this later period France had been much more heavily indebted to England than during the preceding one (pp. 101-102).

No mention, however, is made of other reasons for this, such as the inevitable lowering of the specie-shipping point in the course of the half century, through improved facilities of transportation.

We are told that "the transition from a silver to a gold medium of exchange was gladly welcomed by the French people. . . . They did not demand any remedy" (p. 6). A few pages later, however, it appears that a "continual agitation was maintained by the press, and the export of small silver coin was considered a serious matter. Moreover, demands for a remedy were becoming strenuous" (p. 34). The long series of commissions and *enquêtes* is itself evidence that the change was not regarded with equanimity.

The bimetallic standard, according to Professor Willis, was "out of harmony with the verdict of nearly all of the government commissions held both before and after 1865" (p. 57). Yet, according to his own account of these commissions, it was not inconsistent with the reports of the commissions of 1858, of 1860-61 or of 1867, or indeed of any French commissions reporting before 1868. His statements that "the economic world was in accord in recognizing the impossibility of the double standard" (p. 38) and that this standard was "distasteful to business interests in general" (p. 57) are sweeping generalizations that could be denied upon evidence which he himself gives elsewhere. Similar instances of inconsistency and of biased interpretation might be multiplied indefinitely.

The conclusion which Professor Willis draws at the end of his study is characteristic. "The Latin Union as an experiment in international monetary action," he asserts, "has proved a failure" (p. 267). This few would be inclined to dispute; but he goes further and implies that difficulties similar to those which the Latin Union has encountered are likely to stand in the way of "*any* international attempt to regulate monetary systems" — which is by no means a necessary corollary. The inconveniences that the Latin

Union has involved have been due primarily to the provision by which each government agreed to accept the coins of the other governments as legal tender, and the history of the Union plainly shows the impracticability of such an arrangement. It throws very little light, however, upon international agreements of other sorts.

Among minor errors of fact may be mentioned the statement that Holland had definitely passed to a gold standard before 1874 (p. 135), and the assertion that Belgium guaranteed France, by the treaty of 1885, that the balance due should not exceed two million francs (p. 234). This should be two hundred millions.

Professor Willis's account of the Latin Union and of its various conferences is evidently based in large part upon a direct examination of official reports and contemporaneous publications. It presents much valuable material. It contains many details which were not easily accessible before, especially with regard to the experiences of the smaller states, and with regard to the problems and discussions of the later conferences. For these reasons the book deserves a place in all collections of monetary literature. One can only regret that the labor expended was not joined with a more judicial temper, so that the result might have been authoritative and final.

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*Slavery as an Industrial System.* Ethnological Researches.

By DR. H. J. NIEBOER. The Hague, Nijoff, 1900. — xx, 474 pp.

While the literature on slavery is considerable, there has not yet been a satisfactory attempt to give a thorough-going explanation, on economic lines, of the rise and development of this important institution. Of the two English books of any account, that of Cairnes is frankly unhistorical and that of Ingram is so slight and so eclectic as to be of little use. In foreign languages the only attempts deserving of notice are those of the Italians. Ciccotti, in his book *Il Tramonto della schiavitù*, gives an interesting but somewhat one-sided description of slavery in Greece and Rome; while Loria, who has done the most to clear up the topic, has treated of slavery as only one among the many economic phenomena in his comprehensive survey. The French and German works on slavery are practically useless. The ordinary encyclopedias and text-books are filled with conventional accounts which are neither enlightening nor conclusive. It was high time that an effort should be made